

August 20, 2003

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re : Directory Assistance Competition, Ex Parte, CC Docket Nos. 99-273, 92-105, 92-237

Dear Ms. Dortch:

AARP appreciates having the opportunity to file ex parte comments with the Federal Communications Commission (FCC) in a rulemaking proceeding regarding competition for directory assistance. AARP has participated in various proceedings before the FCC because we recognize the essential role that telephone service plays in the lives of AARP members, to the extent that this service is actually a necessity. In general, we support rules and regulations that benefit consumers by promoting competition and giving them lower prices, more choice and higher quality services.

In this proceeding, the Commission asks whether changes are needed to promote competition in the market for retail wireline directory assistance services. For the following reasons, we believe changes are needed. First, consumers spend more than \$5 billion on wireline directory assistance and yet the market has not been subject to any retail competition. That is a significant market that should no longer be ignored. Second, it is clear that incumbent local exchange carriers (LECs) have exclusive control over retail wireline directory assistance through their control of the 411 number. Nonlocal directory assistance products now offered via 411 have strengthened the incumbent LECs' control of the wireline directory assistance market and without regulatory action, that trend only will continue.

Third, since 1996 the retail wireline directory assistance market has seen steady or increasing prices (documented in the record by the Department of Labor), stagnant or decreasing quality of information provided to consumers, and little or no innovation. Fourth, we have seen how competition can benefit consumers in other markets. For example, in the wireless sector, where competitive directory assistance providers have emerged at the wholesale level, consumers have seen innovations such as automatic call completion, and improved directory assistance services such as driving directions, movie listings and restaurant reservations. Finally, competitive directory assistance providers often use live operators and provide higher quality service and greater reliability than other directory assistance providers.

For these reasons, AARP urges the Commission to take action to promote retail wireline competition. We think that it is time for the Commission to turn its attention to this sector of the telecommunications economy that has been insulated from competition. AARP is confident that consumers will realize tangible benefits as a result of the Commission's policies to promote retail directory assistance competition. We urge the Commission to take prompt action to make retail wireline directory assistance competition a reality.

Sincerely,

Michael W. Naylor
Director of Advocacy